

## **FISCAL NOTE**

TO: Chief Clerk of the Senate  
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: February 28, 1995

SUBJECT: **HB 674 - SB 826**

This bill, if enacted, will allow hourly waged non-instructional school employees to be eligible to apply for unemployment compensation for the duration of any established and customary vacation period lasting not more than three and not less than two months.

The fiscal impact from enactment of this bill is estimated to be a recurring increase in expenditures from the Unemployment Insurance Trust Fund of \$47.7 million as shown below:

30,175 projected hourly employees x \$128 estimated weekly benefit amount x 11 eligible weeks =	\$42,486,400
3,105 projected salaried employees x \$128 estimated weekly benefit amount x 13 eligible weeks =	\$5,166,720
Total Estimated Benefits, Hourly Employees	\$42,486,400
Total Estimated Benefits, Salaried Employees	<u>5,166,720</u>
Total Additional Benefits Paid	<u>\$47,653,120</u>

Enactment of this bill is also estimated to result in an increase in expenditures for local governments\* due to increased unemployment insurance premiums, since local school systems would have a significant change in their actuarial experience as the result of increased charges

against their account. The amount of such increase cannot be reasonably determined but is estimated to exceed \$100,000.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director

\*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*